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## BEFORE THE ARIZONA CORPORATION COMMISSION

2 CARL J. KUNASEK CHAIRMAN JIM IRVIN

Jn

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COMMISSIONER WILLIAM A. MUNDELL COMMISSIONER

AZ CORP COMMISSION DOCUMENT CONTROL

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IN THE MATTER OF THE APPLICATION OF ADVANCED TELCOM GROUP, INC. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE FACILITIES-BASED AND RESOLD INTRASTATE DOCKET NO. T-03842A-00-0130

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AND RESOLD INTRASTATE
TELECOMMUNICATIONS SERVICES AND
PETITION FOR COMPETITIVE
CLASSIFICATION OF PROPOSED SERVICES

## PROCEDURAL ORDER

## BY THE COMMISSION:

On February 29, 2000, Advanced TelCom Group, Inc. ("Applicant" or "Advanced") submitted to Docket Control of the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity ("Certificate") to provide facilities-based and resold intrastate telecommunications services in Arizona. As part of its application, Applicant asks that the telecommunications services that it intends to provide be found "competitive" pursuant to Commission rules.

On July 5, 2000, the Commission's Utilities Division Staff ("Staff") filed a Staff Report.

On July 14, 2000, a Procedural Order was issued setting the matter for hearing and requiring Advanced to publish notice of its application. Applicant is required to publish notice of its filing in newspapers in all counties where service is to be provided.

On September 13, 2000, Advanced requested a continuance to allow it additional time to publish notice.

On September 19, 2000, a Procedural Order was issued granting the continuance and setting the hearing for November 29, 2000.

On October 10, 2000, Advanced filed Affidavits of Publication.

On November 14, 2000, Advanced filed a Motion for a Continuance. In its Motion, Advanced is requesting an additional 60 days to comply with the September 19, 2000 Procedural Order.

IT IS THEREFORE ORDERED that the hearing on the above application and petition of Applicant currently scheduled for November 29, 2000 at 2:30 p.m. shall be continued to January 24, 2001 at 9 a.m. However, public comment will be taken on November 29, 2000 at 2:30 p.m., at the time previously scheduled for hearing.

IT IS FURTHER ORDERED that Applicant shall file its proposed fair value rate base within 30 days of the date of this Order (pursuant to A.A.C. R14-2-103(B), this may be the same as original cost rate base.) The fair value rate base shall include a description and value of all plant and equipment (including the cost and location) currently held by the Company and intended to be used to provide competitive telecommunications services to Arizona customers. In doing so, Applicant may use any reasonable means of asset allocation, direct assignment or combination. In the alternative, upon request made within 30 days of the date of this Order, Applicant may file its FVRB information at least 90 days prior to providing service.

IT IS FURTHER ORDERED that the Applicant shall file information demonstrating how the value of its plant and equipment (both current and projected) is related to its minimum and maximum rates within 30 days of the date of this Order, or at least 90 days prior to providing service upon request made within 30 days of this Order (such demonstration must include the amount of depreciation expense and capital carrying costs related to the FVRB). In the alternative, Applicant must demonstrate that such rates and charges are not unreasonable and constitute a fair rate of return on rate base.

IT IS FURTHER ORDERED that Staff shall review the FVRB information filed and ascertain that Applicant is utilizing the appropriate amount of depreciation and capital carrying costs in determining its total service long-run incremental costs.

IT IS FURTHER ORDERED that Staff shall file disagreements, if any, with the proposed FVRB and/or rates and charges, within 30 days of Applicant filing its FVRB information.

IT IS FURTHER ORDERED that the Applicant shall file specific disagreements/comments, if any, to the Staff report by **12:00 noon** on November 22, 2000.

IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and regulations of the Commission, except that every effort shall be made to respond within 48 hours of

receipt: the response time may be extended by mutual agreement of the parties involved if the request 1 2 requires an extensive compilation effort. 3 IT IS FURTHER ORDERED that in the alternative to filing a written motion to compel discovery, any party seeking discovery may telephonically contact the Commission's Hearing 4 5 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such request, a procedural hearing will be convened as soon as practicable; and that the party making such 6 a request shall forthwith contact all other parties to advise them of the hearing date and shall at the 7 hearing provide a statement confirming that the other parties were contacted.<sup>1</sup> 8 9 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive 10 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing. day of November, 2000. 11 DATED this /b 12 13 14 15 ADMINISTRATIVE LAW JUDGE 16 Copies of the foregoing mailed/delivered this 16th day of November, 2000 to: 17 18 Lance J.M. Steinhart 6455 East Johns Crossing, Suite 285 19 Duluth, Georgia 30097 Attorney for Advanced TelCom Group, Inc. 20 Kathryn Thomas 21 Advanced TelCom Group, Inc. 110 Stony Point Road, 2<sup>nd</sup> Floor 22 Santa Rosa, CA 95401 23 Timothy Berg FENNEMORE CRAIG 24 3003 North Central Avenue, Suite 2600 Phoenix, Arizona 85012-2913 25 Attorneys for Owest Corporation 26 27 The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations

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before seeking Commission resolution of the controversy.

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1	Lyn Farmer, Chief Counsel Legal Division
2	ARIZONA CORPORATION COMMISSION 1200 West Washington Street
3	Phoenix, Arizona 85007
4	Deborah Scott, Director Utilities Division
5	ARIZONA CORPORATION COMMISSION 1200 West Washington Street
6	Phoenix, Arizona 85007
7	ARIZONA REPORTING SERVICE, INC. 2627 N. Third Street, Suite Three
8	Phoenix, Arizona 85004-1104
9	La Delli Desar
10	By: Debbi Person
11	Secretary to Stephen Gibelli
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